Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 10/23/2018 | Report No: ESRSC00039

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Eswatini	AFRICA	P166170	
Project Name	Network Reinforcement and Access Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
«PRACTICEAREA»	IPF	1/14/2019	2/21/2019
Borrower(s)	Implementing Agency(ies)		

Proposed Development Objective(s)
Improve the quality and reliability of electricity supply and increase access in the Shiselweni region of Eswatini

Financing (in USD Million)	Amount
Total Project Cost	45.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project supports the Government of the Kingdom of Eswatini's goal of providing access to modern energy to all by 2022 as stated in the National Energy Policy. The project will strengthen the electricity network in the Shiselweni region of of Eswatini to improve the quality and reliability of service and increase access to electricity. The project has three components: (i) Reinforcement of expansion of the transmission and distribution network in Shiselweni; (ii) Increasing electricity access in Shiselweni; and (iii) Project management and technical assistance.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The transmission line will be constructed in the southern part of Eswatini and will traverse six Tinkhundlas (administrative subdivisions)-Somntongo, Sigwe, Shiselweni 1, Hosea, Zombodze and Matsanjeni. The distribution

infrastructure and new electricity connections will also be undertaken across the Shiselweni region. The project will also finance the construction of three (3) sub-stations to be located at Mhlosheni, Hluthi and Lavumisa. According to Eswatini Electricity Company (EEC) standards, the Right of Way (RoW) for the transmission line will be 30m and the transmission towers will likely be installed approximately at 300m intervals depending on the terrain, routing, environmental and social considerations. Each tower will occupy a land footprint of approximately 22 square meters. Work under the distribution network reinforcement will largely be on brownfield sites in the 11kV network where existing equipment will be upgraded or additional equipment such as capacitor banks installed on existing infrastructure. Under the access expansion component, the extent of work will be limited to short spurs of 11kV lines and low voltage (0.4kV) lines to provide connections to the households. The project area is largely rural, characterized by highveld landscape from Nhlangano to Hluti and the lowveld through to Lavumisa, commercial forestry and agricultural parcels. Livelihoods in the region are rural based, communities are small and dispersed, and non-farm income through male migration to neighboring South Africa is important, particularly to the mines, although South Africa's demand for migrant labor has declined over the past two decades. In this setting, where investments in infrastructure has been lower than in the other regions of Eswatini, the project is expected to impact on the ability to diversify livelihoods, mobility and choice of residents.

D. 2. Borrower's Institutional Capacity

EEC has not implemented World Bank projects previously but will establish a PIU with staff dedicated to environmental and social management. The Borrower (EEC) has a dedicated environment unit headed by an Environmental Manager and includes three (3) environment, health and safety officers who are competent in applying the Eswatini EIA laws and regulations, in carrying out ESIAs and in implementing ESMPs. While on the social side, the Borrower currently has two staff members who manage compensation for land acquisition and oversee stakeholder engagement using country systems. However, the Environmental and Social Framework (ESF) requirements significantly expand responsibilities, and additional staff and/or support from consultants will be needed. As potential routings for the grid reinforcement and distribution extensions are assessed, the implementing agency surveyors will identify the ideal route based on multiple factors, including impact avoidance and minimization informed by ESS5. The Borrower is expected to engage a firm to develop a Resettlement Policy Framework (RPF) and Resettlement Action Plans (RAP) during implementation to determine the relative impact and associated personnel requirements. EEC also sent three staff members to participate in an ESF training in September 2018. Once the project implementation arrangements have been finalized, between the Bank and EEC, an environmental and social due diligence of the institutional arrangements will be carried out to assess any gaps in capacity and the need for procuring additional officers dedicated to managing and monitoring the environmental and social risks and impacts of the project. A thorough Institutional Capacity Assessment (using forthcoming World Bank guidance) will be conducted prior to appraisal. Any capacity gaps/ strengthening measures will be captured in an Institutional Capacity Strengthening Plan and reflected in the Environmental and Social Commitment Plan (ESCP).

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) — Moderate

Environmental Risk Rating — Moderate

The environmental risk classification of the Project is moderate under the World Bank's Environmental and Social Framework (ESF). The risk is moderate because the impacts likely to be generated from project activities are site-specific, will largely occur during the construction phase of the project, and can be mitigated with measures that are

readily identifiable. Based on a visual survey carried out during the identification stage, key environmental impacts are related to: (i) the aesthetic and visual quality of the surrounding landscape of the project area, (ii) erosion and sedimentation of rivers from earth works and run-off during the construction phase, (iii) traffic management during the construction phase, (iv) disposal and management of waste/spoil during the construction phase, (v) occupational health and safety of workers, (vi) nuisances related to air and noise emissions from construction activities, and (vii) community health and safety. The measures to mitigate these impacts and risks will be included in the Environmental and Social Impact Assessment.

Social Risk Rating Moderate

The social risk classification is moderate and is associated with the potential labor influx and expected extent of resettlement impact. The labor influx risk is related to the potential construction and management of an expected two labor camps in the mostly rural setting of the project. Each labor camp is anticipated to host approximately 40 workers which will constitute the total workforce required for the project. Some of these workers will be recruited locally. On resettlement, the relative length of the transmission line and even shorter lengths of the expected distribution line extensions, along with sparsity in the location of the Shiselweni population suggests a limited number of project-affected persons. It is anticipated that physical displacement shall be avoided to the extent possible, and that the main associated impact will be temporary, reversible or minimal. The current country systems do not consider the temporary impact of civil works nor the extent of stakeholder involvement required under the ESF. Recent High Court decisions related to resettlement do not meet the ESF standards. The measures to mitigate these impacts and risks will be included in the Environmental and Social Impact Assessment.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The EEC ESMS/procedures need to be enhanced to comply with ESS1. The Company has not implemented a WB funded project before, hence has no experience with ESS. The Project will address gaps through an ESCP to be prepared by the Bank/EEC. The ESIA will be carried out by consulting firms procured by EEC in line with the requirements of the ESF and Eswatini Environment Act of 2002 and will include an ESMP with mitigation measures for construction/operation phases, roles and responsibilities, time plans, costs and implementation plans for recommended measures. Construction contractors will be required, as a condition of their contracts, to implement/comply with the ESMP, incl. preparing construction management plans consistent with the specific management plans provided in the ESMP. The anticipated social risks will be managed as follows: Vulnerable Groups: Specific attention will be paid to the identification of disadvantaged, vulnerable individuals/groups, including gender specific measures, in the project area and appropriate (and differentiated) mitigation measures will be proposed in the ESMP and RPF/RAP. Stakeholder Engagement (SE): The project will ensure early and continuous SE documented in an SEP; GBV Management/Mitigation: ESIA findings and the Bank's GBV Risk Assessment Tool will guide identification of GBV risks and development of mitigation plans. GBV risks are high with approx. 50% of all women having experienced sexual violence; the majority before 18. Land: Avoidance, mitigation of livelihood impact and land acquisition will be part of the surveying procedures to identify routings. An RPF will be developed prior to appraisal; Labor and Community Health and Safety-Formal Labor Management Procedures, code of conduct and worker specific

GRM will be est. It is anticipated that NGOs will be engaged for awareness training of contractors, workers, communities and procurement documentation will incl. prioritization of local labor hiring to minimize labor influx

Areas where reliance on the Borrower's E&S Framework may be considered:

The Borrower's framework will not be applied.

ESS10 Stakeholder Engagement and Information Disclosure

In consultation with the Bank, the client will prepare and implement an inclusive SEP proportional to the nature and scale of the project and associated risks and impacts. EEC expects to engage local stakeholder engagement officers to work with community engagement throughout the project cycle. The SEP will detail integration of project specific grievance mechanism with the existing EEC procedures (which includes an 800-toll free customer line and whistle blower procedures). A draft will be prepared and disclosed as early as possible and prior to Appraisal. The client will seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format and location) and through channels that are suitable in the local context. If major changes are made to the SEP, a revised SEP will be publicly disclosed. The borrower will engage in meaningful consultations with all stakeholders throughout the project life cycle paying particular attention to the inclusion of vulnerable and disadvantaged groups (including the elderly, persons with disabilities, female headed households and orphans and vulnerable children). The RPF will include enhanced requirements for stakeholder engagement with project affected people as part of preparation of the RAP which will be prepared in conjunction with surveying of possible transmission routes. As part of the environmental and social assessment the borrower will maintain, and disclose, a documented record of stakeholder engagement and GRM, including a description of the stakeholders consulted, a summary of the feedback/grievances received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Procurement documentation will include prioritization of local labor hiring, to localize expected economic benefits and minimize the potential harm associated with influx. The exception will be skilled workers and technical experts who cannot be found in the project location. Procurement documentation will also include the requirement for a Labor Management Plan and code of conduct. A standalone worker specific GRM (for direct and contracted workers) will be established as part of the Labor Management Plan. The occupational risk related to the construction activities is associated with the risk of falling from height when stringing and installing the transmission towers. There could also be a risk of electrocution during the testing and charging phase of the anticipated project activities. EEC will develop and implement a Health, Safety and Environmental (HSE) Plan in line with World Bank Group Environment, Health and Safety (EHS) Guidelines. The plan will include procedures on incident investigation and reporting, recording and reporting of non-conformances, emergency preparedness and response procedures and continuous training and awareness to workers. Workers Accommodation: It is expected that the construction of the transmission line will require the establishment of two labor camps with approximately 40 workers hosted in each. The Labor Management Plan will provide specific procedures consistent with the engagement process outlined under ESS4. It is

not expected that a labor camp shall be established for the distribution reinforcement, extension and access related activities of the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

Site clearance and excavation activities – cutting of trees, stripping of topsoil and digging of foundation pits for towers and wooden poles will likely affect soil structure and quality. The extent of vegetation clearance and depth of foundations will be dependent on tower type for the transmission line and pole height for the distribution and access related activities. Given the agricultural activities that take place in the Project area, if the topsoil removed during construction activities is not properly reinstated, it may lead to loss of soil quality and thereby low agricultural productivity.The ESIA/ESMP will recommend construction practices and measures for mitigating these impacts. Noise and vibration is expected to be primarily generated during the site preparation and construction phases of the project. Such noise may be generated from blasting (if required), operation of construction equipment and machinery, and the transportation of equipment and materials. Depending on stringing method applied and the conductor to be used, the noise from operation of a winching machine could reach 80 dB (A). Impact on air: During site preparation and construction, the project is likely to generate dust (as particulates) and there will be times during the construction phase when elevated dust concentrations may occur. Higher amounts of dust will be generated at places where earthworks, cutting and filling operations take place or in material handling and storage areas. A large percentage of such dust emissions from construction sites are likely to comprise of particles which are coarse in size (>10 microns) which tend to settle down within a few hundred meters of the source of emissions. The smaller fractions (PM10) can however be carried over longer distances in a dust cloud, in the event wind velocity is higher and depending on prevailing wind direction maybe deposited in the adjoining settlements with the potential to cause soiling of residential premises.

ESS4 Community Health and Safety

Most labor will be locally hired, except skilled workers/technical experts who cannot be found in the project area to minimize influx and potential harm. The total workforce is expected to be approx. 80. Workers will be hosted in two labor camps (40 each). A labor management plan and code of conduct will form part of the procurement documentation for construction contractors and adherence to this shall form part of the contractual obligations. Contractors will be required to certify that all staff, incl. subcontractors, have completed training on safety/conduct prior to works. Given high GBV/HIV prevalence an NGO will be engaged for training. For all construction work, the ESMP will stipulate that the contractor installs a security system around the project sites (fences and security guards) during the entire construction period. If the construction works are carried out on land owned by EEC, the contractor will use EEC's existing security system. When works take place on open roads, equipment and vehicles will be brought together to one single protected area during the night to ensure both community and worker's safety. The construction activities may pose potential safety concerns for inhabitants within the vicinity of works especially when construction is carried out near a village/community. Stringing of the transmission and distribution lines may cross existing roads including village and districts roads, state and national highways which could hinder movement of traffic. In some cases, temporary closure of roads may be required to facilitate stringing activities. This disruption in movement would cause inconvenience to the local communities as access would be interrupted temporarily. Changes in baseline environmental conditions may be experienced by the local communities in terms of increased nuisance

levels from emission of dust, contamination of surface water or ground water from soil erosion and runoff, and noise from construction activities.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The exact route of the transmission line and location of the distribution and access related activities has not been determined, but surveyors will be provided with training in ESS5 to prioritize avoidance and minimization of impact. Portions of the transmission line will use existing right of way, but with possible need for expanding the right of way. Part of the transmission and distribution lines are expected to traverse commercial land where rights of way agreements are in place (commercial forests and sugarcane production). However, it is also expected that there shall be portions where communal land and smallholder farms, under traditional governance, will be traversed ; land used for grazing and subsistence farming, which is under traditional governance is also traversed. The area is rural in nature and the population density is low, with scattered settlements and homesteads. Therefore, the relative impact is anticipated to be moderate as physical relocation would be unlikely to be in excess of ten households and fully avoided if feasible. An RPF will be developed prior to appraisal to guide implementation and initial land surveying for routing options. The RPF will provide resettlement principles, organizational arrangements and design criteria to cover the entire project. A Resettlement Action Plan will be prepared in parallel with surveying activities and associated compensation implemented prior to the commencement of civil works.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Based on the visual survey carried out at the identification stage, some parts of the transmission line are expected to traverse commercial forest. The Borrower would need to obtain the relevant permits according to Eswatini laws and regulations, before project activities can commence through the forest land. Site preparation will involve removal of trees, shrubs and aloes that are currently present along the transmission line corridor and the site locations for the sub-stations and distribution lines which might likely cause change in the modified habitat within the project areas, leading to a loss of floral biodiversity at a localized level. Vegetation clearance may also likely cause loss of nesting habitats for bird species. The ESIA will confirm the presence of threatened/endangered species according to the IUCN Classification and of the sensitivity of the project site for bird species including migratory birds. Construction activities will include excavation, movement of machinery and increased movement of people, which might also likely cause minor disturbance to the floral and avifauna habitats within the vicinity of the tower footings and the project sites sub-stations because of the deposition of dust and noise generated from the construction activities. These disturbances will be for a temporary period (during the construction phase), localized and of low magnitude. During the operational phase of the project, collision with the transmission and distribution lines could also result in bird mortality. The ESMP will include measures that will mitigate the impact on birds.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

There are no Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities in the project area of influence according to the African Commission on Human and Peoples' Rights and the United Nations.

ESS8 Cultural Heritage

The environmental and social assessment will confirm the existence of tangible and or intangible cultural heritage. However, all the construction contracts will include “Chance Find” clause which will require contractors to stop construction in the event that cultural property sites are encountered during construction.

ESS9 Financial Intermediaries

The standard does not apply as the project design will not include financial intermediaries.

B.3 Other Relevant Project Risks

The political and governance risk is substantial, given the complex decision-making process affecting eSwatini borrowing from international entities such as the World Bank Group.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- Preparation of Environmental and Social Commitment Plan
- Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP)
- Preparation, consultation and disclosure of the ESIA
- Preparation, consultation and disclosure of ESMP to include potential sub-plans such as a Labor management plan, GBV management/mitigation plan and Environmental, Health and Safety Plan.
- Institutional Capacity Assessment
- Preparation of the Resettlement Policy Framework

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Implementation of SEP
- Implementation of ESMP (and associated sub-plans)
- Development and Implementation of Institutional Capacity Strengthening Plan
- Development and Implementation of RAPs
- Preparation of Construction ESMP

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 15-Mar-2019

IV. CONTACT POINTS

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V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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